

Message Text

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PAGE 01 ABU DH 00098 160855Z
ACTION L-03

INFO OCT-01 NEA-10 EB-08 ISO-00 COME-00 SCS-05 SCA-01
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FM AMEMBASSY ABU DHABI
TO SECSTATE WASHDC 6512
INFO AMEMBSSY MANAMA

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EO 11652: NA
TAGS: EFIN BDIS BA
SUBJECT: RTV BAHRAIN

REF A. STATE 174343 (NOTAL), B. STATE 1142737-

1. OIC DUBAI SPOKE TO DEREK P. FLETCHER OF WHINNEY MURRAY AND
COMPANY AS INSTRUCTED REF A. FLETCHER STATED THAT ARTHUR LIPPER

CORPORATION "NEVER HAD ANY RIGHTS AGAINST RTV BAHRAIN" AS ARTHUR
LIPPER CORPORATION HAD MERELY BEEN THE GUARANTOR OF FINAL
RECOURSE OF A LOAN TO ASSOCIATED BUSINESS CONSULTANTS, LTD., (ABC)
OF BEIRUT, WHICH WAS A STOCKHOLDER IN THE BORADCASTING
STATION. LIPPER, IN FLETCHER'S OPINION, HAS A CLAIM AGAINST
ABC FOR ITS SHARE OF RTV BAHRAIN AND HOLDS A MORTGAGE ON
ABC'S SHARE OF RTV, BUT ANY SUCH CLAIM IS QUITE DISTINCT
FROM THOSE OF RTV'S CREDITORS.

2. UNFORTUNATELY, THE CHAIRMAN OF THE BOARD OF ABC APPEARS,
ACCORDING TO FLETCHER, TO HAVE BEEN "SOMEWHAT UN-
OGETDOICAL" IN THAT HE SEEMS TO HAVE MORTAGGED THE SAME
SHARES SIMULTANEOQYLY TO THREE DIFFERENT INSTITUTIONS:
ARTHUR LIPPER, THE LEBANESE BANK FOR COMMERCE, AND
THE RIF BANK. THE MATTER IS CURRENTLY BEFORE THE
BAHRAINI COURTS, FLETCHER CONTINUED, BECAUSE THE TWO
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LEBANESE BANKS ARE TRYING TO GET THE REMAINING SEVEN
THOUSAND OR SO BAHRAINE DINARS LEFT ABC OF THE APPROX-
MATELY 1.2 MILLION BAHRAIN DINARS FOR WHICH RTV BAHRAIN
WAS SOLD TO HE GOV. FLETCHER BELIEVES THE BAHRAIN LAW
FIRM OF BALLANTYNE AND ASSOCIATES ARE HANDLIN THE CASE
FOR THE LEABANESE BANK OF CFOR COMMERCE AND SUGGESTS THEY
MAY HAVE A MORE UP-TO-DATE VIEW OF THE CASE.

3. FLETHCER CONSIDERS THE CASE CLOSED AS FARE AS HE IS CONCERNED, FOR, IN HIS VIEW, ALL CREDITORS HAVE BEEN PAID IN FULL. AT FIRST, HE NOTED, THE GOVERNMENT OF BAHRAIN DID AGREE TO BUY RTV BHARAIN FOR 377,442 BAHRAINI DINARS VOVER THE TOAL OF ALL OUTSTANDING LIABILITIES ON THE ASSURANCE THAT THERE WERE NO OUTSTANDING CAPITAL LIABILITIES. WHE N INVESTI- GATION SHOWED THAT THIS WAS NOT THE CASE AND REVALED THE CHARACTER OF ABC, LIPPER CONTINUED, THE GOB SET A MAXI- MUM PRICE WHICH IT WOULD PAY FOR RTV IN ORDER TO CLOSE IT OPEN-ENDED LIABILITY. IN THE END, THE GOB PAID THE MAXIMUM PRICE (ABOUT 1.2 MILLION BD) AND FLETCHER, AS LIQUIDATOR, PAID OFF ALL CREDITORS. HE TURNED OVER THE SUM REMAINING TO THE BAHRAINE COURTS TO BE DISBURSED AS THE COURT THOUGHT BEST. FLETCHER ADDED THAT ABC'S SHARE OF THE NET PROJFIT WAS EQUAL TO ABOUT 7,000 BD, OVER WHICH THE TWO LEBWAESE BANKS ARE FIGHTING. WRAMPELMEIER

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